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Report

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drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 198/73) for a Regulation extending for the years 1972, 1973 and 1974/certain time limits for granting aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund

Rapporteur: Mr J. SCOTT-HOPKINS

PE 34.280/fin.

By letter of 16 October 1973, the President of the Council of the European Communities consulted the European Parliament, pursuant to Article 43 of the EEC Treaty, on the proposal from the Commission of the European Communities to the Council for a Regulation of the Council extending for the years 1972, 1973 and 1974 certain time limits for granting aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund.

On 16 October 1973, the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion.

The Committee on Agriculture appointed Mr J. SCOTT-HOPKINS rapporteur.

While waiting for the matter to be referred to it by the President, the Committee on Agriculture considered the proposal at its meeting of 10 October 1973 and adopted the following motion for a resolution by a majority of nine votes in favour, one vote against and one abstention.

The following were present: Mr Houdet, chairman; Mr Scott-Hopkins, rapporteur; Mr Baas, Mr Brugger, Mr Creed, Mr Früh, Mr Gibbons, Mr John Hill, Mr Jakobsen, Mr de Koning and Mr Laban.

The opinion of the Committee on Budgets will be distributed separately.

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The Committee on Agriculture hereby submits to the European Parliament, on the basis of the explanatory statement appended, the following motion for a resolution:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposals from the Commission to the Council for a regulation extending for the years 1972, 1973 and 1974 certain time limits for granting aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM (73) 1532 fin.),
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc.198/73),
 - having regard to the report of the Committee on Agriculture and to the opinion of the Committee on Budgets (Doc.199/73),
1. Regrets the delay in decisions by the Commission of the European Communities on applications for aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund and the hardship thereby suffered by the agricultural sector.
 2. Calls upon the Commission of the European Communities to recruit immediately adequate staff, and to request forthwith the financial allocations required, so as to enable decisions to be made within twelve months of the date limit laid down by Regulation (EEC) No. 2140/72 for the submission of applications for aid for 1973 from the Guidance Section of the European Agricultural Guidance and Guarantee Fund, that is to say, that decisions on application submitted for 1973 should be made by 30 June 1974.
 3. Calls for improvements in the administrative procedures and information services of Member States in order to eliminate unnecessary delays, especially those caused by the submission of incomplete dossiers.
 4. Approves the Commission's proposal that the time limit within which the Commission must, under the second sentence of the first sub-paragraph of Article 20(1) of Regulation No. 17/64/EEC, take a decision on application for aid from the Guidance Section of the fund submitted to it, within the time limit fixed in Article 1 of Regulation (EEC) No. 847/72 for 1972, shall be extended to 31 October 1973 for projects submitted for 1972.

5. Approves the Commission's proposal that the time limit fixed in the first sentence of the first sub-paragraph of Article 20(1) of Regulation No. 17/64/EEC for the submission of applications for aid from the Guidance Section of the fund shall be extended until 30 June 1974 in respect of applications for aid for 1974.
6. Amends from 31 October 1974 to 30 June 1974 the Commission's proposed extension of the time limit within which the Commission must, under the second sentence of the first sub-paragraph of Article 20(1) of Regulation No. 17/64/EEC, take a decision on applications for aid from the Guidance Section of the Fund within the time limit fixed in Article 2 of Regulation (EEC) No. 2140/72 for projects submitted for 1973.
7. Instructs its President to forward this Resolution and the report of its Committee to the Council and the Commission of the European Communities.

B
EXPLANATORY STATEMENT

1. The Committee on Agriculture has been asked to consider a proposal for a regulation of the Council extending for the years 1972, 1973 and 1974 certain time limits for granting aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund.

2. The proposed regulation extends the time limits within which the Commission should take a decision on applications for aid from the Guidance Section and that within which Member States must submit their projects as follows:

- (a) decision of the Commission for projects for the year 1972:
31 October 1973
- (b) decision of the Commission for projects for the year 1973:
31 October 1974
- (c) applications for aid for the year 1974: 30 June 1974.

3. As a result of this regulation decisions on applications will be taken ten months behind the schedule laid down by Regulation No. 17/64/EEC. This is a reduction of two months on the previous delay but less than the three months reduction hoped for by the Commission as a result of a recruitment of staff decided upon. But nevertheless, for the year 1973 the delay between the time limit for the submission of applications for aid (as laid down by Regulation (EEC) 2140/72) and the Commission's proposed time limit for decisions on such applications is at least sixteen months.

4. The dates foreseen in Regulation No. 17/64/EEC have never been respected since the first year that this regulation has been applied, that is to say since 1964, constituting a serious reduction in the credits available for the improvement of agricultural structures, at a time when greater emphasis is being placed on such a policy. The delay in reaching decisions on applications for aid seems to have become permanent and cannot be explained by reference to circumstances particular to any year.

No mention has been made in the Commission's explanatory memorandum of the costs involved in a progressive extension of time limits for decisions on applications for aid from the Guidance Section of the Fund, both in terms of the increase in costs of the scheme as time passes and the decrease in value of sums put in reserve as a result of monetary depreciation. Memoranda explaining Commission proposals must include such figures, vital to a reasoned discussion by the European Parliament of Commission proposals.

The Committee on Agriculture attaches great importance to the fact that the delays in respect of the Guidance Section have the effective result of depriving the interested parties of funds established to improve the agricul-

tural sector. Moreover, given that the volume of credits available for "individual projects" will be reduced (by virtue of Article 6 of Regulation No. 729/70) in favour of new joint schemes, it is less opportune to put back the dates for the "individual projects".

5. The effects of the non-utilisation of funds since the creation of the "Mansholt Reserve" has been to inflate the budget with a reserve whose true juridical character is far from clear. In the draft budget for 1974 these reserves have reached a figure of 509,384,300 units of account, that is, a sum greater than the annual credits available for structural policy.

6. The Committee on Agriculture has on numerous occasions objected to the extension of the time limits in which decisions by the Council are to be made, making it clear that the Commission could have obtained the necessary credits for the recruitment of extra staff and requesting greater flexibility in the case of existing Commission staff as between its various departments.

7. It is of course true that there has been a sharply rising increase in the number of applications for aid to be considered from 226 in the first year, 1964, to about 1400 as from 1 November 1973 (an increase of about 40% on the 1972 figure). In addition, the problem has been compounded this year by the enlargement of the Community.

8. Nevertheless, the Committee on Agriculture is of the opinion that a similar delay for the Guidance Year 1973 of sixteen months between the time limit for the submission of applications (as laid down in Regulation (EEC) No. 2140/72) and the time limit for the reaching of decisions by the Commission (as proposed by the Commission in COM (73) 1532 fin.) is intolerable.

The Committee on Agriculture insists that decisions on applications for aid from the Guidance Section for 1973 should be dealt within twelve months of the time limit for the submission of such applications laid down in Regulation (EEC) No. 2140/72 (30 June 1972), that is, that a decision should be reached at the latest by 30 June 1974.

The Committee is fully aware that this will require immediate increased recruitment - the arguments put forward in paragraph 7 are relevant here - but the Committee sees no reason for further prevarication on the part of the Commission.

9. The Committee on Agriculture therefore recommends that the European Parliament should:

- approve the Commission's proposal that the date limit for the submission of applications for aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund for the year 1974 should be extended until 30 June 1974;

- approve the Commission's proposal that the time limit for decisions on applications for aid from the Guidance Section of the Fund for the year 1972 should be extended until 31 October 1973;
- but amends the Commission's proposed extension of the time limit for decisions by the Commission on applications for aid from the Guidance Section of the Fund for the year 1973: from 31 October 1974 to 30 June 1974.

ANNEX

Dates foreseen by Regulation No. 77/64, article 20

Order No	Guid- ance Year	Consul- tation	Session Document	Year	Regulation	Date for the application			Date for the decision		
						In confor- mity with Reg. No. 17/64	New Date	Extension in months	In confor- mity with Reg. No. 17/64	New Date	Extension in months
1	1964	15,16,17	81+82	63/64	17/64	(31.10.63)	1.7.64	(6)	-	-	-
2	1965	45	56	65/66	68/66	-	-	-	31.12.65	31.7.66	7
3	1966	157	165	65/66	50/67	-	-	-	31.12.56	31.7.67	7
4	1967	140	148	66/67	224/66	(1.10.66)	31.1.67	3	-	-	-
5	1967	181	191	66/67	347/68	-	-	-	31.12.67	15.4.68	3,5
6	1968	109-III	112	67/68	409/67	1.10.67	15.12.67	1,5	-	-	-
7	1968	180	190	67/68	269/69	-	-	-	31.12.68	max	3
7 bis	1968	22	39	69/70	1017/69	-	-	-	-	31.7.69	4
8	1969	147	151	68/69	2010/68	1.10.68	(28.2.69) (20.3.69)	4-5	-	-	-
9	1969	163	164	69/70	2542/69	-	-	-	31.12.69	max 31.7.70	max.7
9 bis	1969	-	-	-	2091/70	-	-	-	31.7.70	31.10.70	3
10	1970	77	82	-	1534/69	1.10.69	(15.12.69) (31.3.70)	2-6	-	-	-
11	1970	204	210	70/71	618/71	-	-	-	31.12.70	31.10.71	10
11bis	1970	127	153	1971	2724/71	-	-	-	31.10.71	31.12.71	2
12	1971	123	139 + 168	70/71 70/71	2591/70	1.10.70	(15.12.70) (31.3.71)	2-6	-	-	-
12bis	1971	45	96	1972	-	-	-	-	31.12.71	31.12.72	12
13	1972	127	153	1971	847/72	1.10.71	30.6.72	9	-	-	-
14	1972	45	96	1972	-	-	-	-	31.12.72	30.9.73	9
14bis	1972	-	-	-	-	-	-	-	-	31.10.73	10
15	1973	45	96	1972	-	1.10.72	30.6.73	9	-	-	-
16	1973	-	-	-	-	-	-	-	31.12.73	31.10.74	10
17	1974	-	-	-	-	1.10.74	30.6.74	9	-	-	-